Section 4: Guided Reading and Review

State and Local Taxes and Spending

A. As You Read
As you read Section 4, fill in examples of each item in the space provided.

Spending
(State Governments)
Provide examples of goods or services on which state taxes are spent for each category.
1. Education: ____________________________
2. Public Safety: __________________________
3. Highways and Transportation: ____________
4. General Welfare: ________________________
5. Arts and Recreation: ____________________
6. Administration: _________________________

(State Governments)
Provide examples of each type of tax from which states earn revenue.
7. Sales Tax: ____________________________
8. Excise Tax: ____________________________
9. Income Tax: ____________________________
10. Corporate Income Tax: _________________

(Local Governments)
Provide examples of goods or services on which local taxes are spent for each category.
12. Law enforcement: _____________________
13. Public facilities: _______________________
14. Public health: _________________________

(Local Governments)
Provide examples of each type of tax from which local governments earn revenue.
15. Property Taxes: ________________________
16. Other Taxes: __________________________

B. Reviewing Key Terms
Answer each of the following questions.
17. What is the difference between real property and personal property? _______________________
18. What is the difference between an operating budget and a capital budget? _______________
19. What is a sales tax? _________________________
20. What is the relationship between revenues and spending in a balanced budget? ____________